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UNCLAS SECTION 01 OF 03 TEGUCIGALPA 002768

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SENSITIVE

STATE FOR WHA, WHA/PPC, WHA/USOAS, AND WHA/CEN STATE FOR EB, INL, INR/AN/IAA, AND INR/B STATE PASS USTR

E.O. 12958: N/A

TAGS: PGOV PREL KDEM ECON ETRD SNAR KJUS PINR HO
SUBJECT: HONDURAN PRESIDENTIAL CANDIDATES: NATIONALS PASTOR AND LOBO IMPRESSIVE; LIBERALS - ZELAYA CHARISMATIC,
NUNEZ TECHNOCRATIC, AND ROSENTHAL PROBLEMATIC

REF: A. TEGUCIGALPA 2646

- ¶B. TEGUCIGALPA 2635
 ¶C. TEGUCIGALPA 1541
- 11. (SBU) Introduction: During recent meetings with Washington visitor, National Party leading presidential candidates Miguel Pastor (first in polls) and Porfirio "Pepe" Lobo (second in polls) were impressive, Liberal Party leading presidential candidate Mel Zelaya was charismatic, while third place Liberal Party candidate Gabriela Nunez came off as more of a technocrat than a leading politician. In a previous meeting with PolOffs, second place Liberal Party candidate Jaime Rosenthal played the part of the intelligent but questionably-connected businessman/politician. End Introduction.
- 12. (U) Director of the Office of Central American Affairs (WHA/CEN) David Lindwall and Honduras Desk Officer Marcos Mandojana visited Honduras November 30-December 3 and held meetings in Tegucigalpa with most of the top contenders for the National and Liberal Parties presidential nominations. PolOffs also held a previous meeting with second place Liberal Party candidate Jaime Rosenthal. Primary elections are scheduled for February 20, 2005; the general election will take place November 27, 2005.

Miguel Pastor

13. (SBU) Lindwall, Mandojana, DCM, PolCouns, and PolOff had breakfast December 3 with Mayor of Tegucigalpa Miguel Pastor, who is the leading National Party candidate. Joining Pastor was his twin brother and campaign manager, Sebastian Pastor, and senior campaign official Nahun Valladares y Valladares. Pastor, who has been knocked for staying away from issues of substance, was impressive in the meeting. He showed a strangrasp of key issues and had a confident and sophisticated He showed a strong presence, despite his youthful appearance. He laid out a nuanced position on crime that included prevention as well as law enforcement, and stressed the importance of combating corruption. He highlighted the importance of job creation and said he supported the U.S.-Central America Free Trade Agreement (CAFTA). Pastor underlined the need for Millennium Challenge Account (MCA) assistance. Pastor's team also stressed the need for election observers during the primary elections. Lindwall noted that financial constraints argued against Organization of American States (OAS) observation of the party primaries in Honduras, and suggested the possibility of local NGOs and/or students working with the media, as had been done in Ecuador. Sebastian closed the meeting with an audacious request: he asked Lindwall and Mandojana to consider the possibility of a state visit to the U.S. for Pastor after he becomes the next president, an outcome they fully expect to achieve.

Pepe Lobo

14. (SBU) Lindwall, Mandojana, and Poloff met December 1 with President of Congress Porfirio "Pepe" Lobo, who is running a close second in the National Party race. Joining Lobo was the "whip" of the congress, Lobo's ally Juan Orlando Hernandez. VP candidate and Ambassador to the U.S. Mario Canahuati was in San Pedro Sula and unable to attend the meeting. Lobo summarized his campaign focus as jobs and security (his campaign slogan). Corruption and the rule of law, including counternarcotics, were focal points of the meeting. Lobo highlighted recent advances, including an independent Supreme Court, but acknowledged the Public Ministry needed to be overhauled. Hernandez noted that high levels of crime undermined faith in democracy. Lobo candidly said that there was a values problem in Honduran society reflected in a lack of respect for the law that was key to the crime problem. Lobo also noted that poverty weakened faith in democracy. Lobo and Lindwall discussed the importance of congressional approval of CAFTA. Lobo noted that Catholic Church Cardinal Oscar Rodriguez and third place

National Party candidate Gilbert Goldstein had both recently come out against CAFTA. He avoided any promise of when congressional action on CAFTA would take place. Lobo also highlighted tourism, the maquila sector, natural resources, and agriculture as key to economic growth. Hernandez emphasized the importance of MCA funds to improve infrastructure that in turn would boost productivity and the ability of Honduran producers to compete. Lobo mentioned that he had met WHA A/S Noriega at a recent meeting of Latin American congressional leaders. Lobo, as usual, was in command of a wide range of issues. He appeared confident about his electoral prospects, most likely boosted by his recent closing of the gap for the number one spot in polls for the National Party nomination.

Mel Zelaya

15. (SBU) Lindwall, Mandojana, DCM, PolCouns, and PolOff had lunch, hosted by the DCM, December 3 with leading Liberal Party candidate Mel Zelaya, VP candidate Elvin Santos, and senior campaign official Patricia Rodas. Zelaya, a charismatic politician sometimes rapped for a lack of intellect and limited world view, was engaging and relaxed, joking that Honduras as David would beat the U.S. as Goliath in agricultural competition. Zelaya said he supported CAFTA, stressed the importance of economic development, spoke in favor of the GOH receiving MCA funds, and denounced corruption. Zelaya was more focused on substance than in past meetings with EmbOffs, but several times deferred to his colleagues to respond to questions, most notably declining to outline his goals for U.S.-Honduran bilateral relations. Rodas, who is reported to have a leftist past and is Zelaya's pick for leader of the party organization, launched a series of provocative questions, including asking about U.S. views on greater Central American contacts with China. Santos, was candid and, as a newcomer to Zelaya's political team, seemed to not have discussed many political issues with Zelaya. There was tension between Santos and Rodas, which could presage difficulties for Zelaya's possible government and its relations with the private sector, for which Santos was chosen as VP to lead Zelaya's outreach efforts. Zelaya was very confident that his place atop the polls is unshakable. He also demonstrated a managerial style that would delegate significant operational authority to subordinates while he focused on larger strategic communication issues.

Gabriela Nunez

16. (SBU) Lindwall, Mandojana, and PolOff had breakfast December 2 with Gabriela Nunez, who is in third place in the Liberal Party race. She was accompanied by her VP candidate, Guillermo Alvarado, and her campaign manager, Max Gil Santos. Nunez and her team emphasized that they were focused on economic development, not politics, and said they supported CAFTA, despite the fact that they believed GOH negotiators had overly focused on the maquila industry. Nunez stressed the importance of election observers for the primary elections. Nunez repeatedly deferred to her colleagues, something she has done in past meetings with EmbOffs. Unfortunately, that led to a tangential soliloquy by Alvarado, a former Minister of Agriculture who until recently worked for the Guatemalan agribusiness Gutierrez company, on sanitary/phytosanitary issues involved in the export of Central American chicken to the U.S. Nunez's technical abilities may be strong, but she was the least engaging of all the top candidates and at her own peril ignores the need for successful politics to precede policy implementation. This campaign is clearly a dress rehearsal for a more serious run for the presidency in 2009.

Jaime Rosenthal

17. (SBU) Polcouns and PolOff had lunch November 24 with Liberal Party candidate Jaime Rosenthal and Manuel Gamero, director of the Rosenthal-owned El Tiempo newspaper. Gamero has been Rosenthal's recent go-between with the Embassy, due to Rosenthal's controversial status. Rosenthal said he believes he can win despite Zelaya's overwhelming advantage in the polls, and indicated he would go negative on Zelaya as soon as the official campaign period began. Rosenthal was dismissive of Zelaya's intellectual abilities, mused that neither Pastor nor Lobo would be that bad as president, and spoke without irony about the importance of combating corruption. The bitterness of the upcoming primaries will determine which party is more united for the general election. Rosenthal, as the only presidential candidate from San Pedro Sula, will play a key role in the general elections, regardless of his showing in the primaries.

Pastor and Lobo Battling, Zelaya Out in Front

chances remains unchanged since our last analysis (ref A). There is clearly a much closer battle in the National Party than the Liberal Party. Pastor's increased focus on issues should stand him well against Lobo, but this race will likely come down to the wire. Pastor is running as a the leader of a new generation and is in command of the media aspects of politicking, while Lobo is for all intents and purposes the current administration's candidate, although they have not said so publicly or in private, and has the support of the traditional National Party machine. With formal campaigning barred until January, it remains to be seen if candidates that project well in TV spots or small meetings can rouse support from the electorate at campaign events. The unanimity of candidates' support for CAFTA was notable, as was the concern for corruption. All the candidates also stressed the importance of the bilateral relationship, and made clear the U.S. is the key partner for Honduras. End

 $\underline{\ \ }\mathbf{9}.$ (U) This cable was cleared by Lindwall and Mandojana. Pierce